

2006 FARM PRODUCTION EXPENDITURES

United States farm production expenditures totaled \$235 billion in 2006, up 5.4 percent from the revised 2005 total of \$223 billion. The largest contributors to the increase were Livestock and Poultry Purchases, up 17 percent; Taxes, up 13 percent; Interest, up 10 percent; Feed, up 8.9 percent; and Fuels, up 7.9 percent. The rise in production expenditures was spread more evenly across line-item expenditures this year than in previous years.

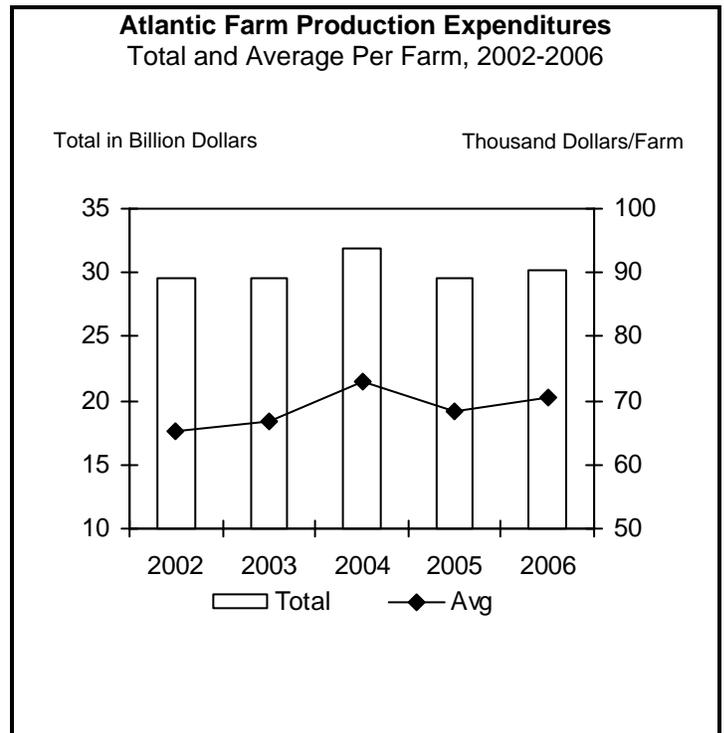
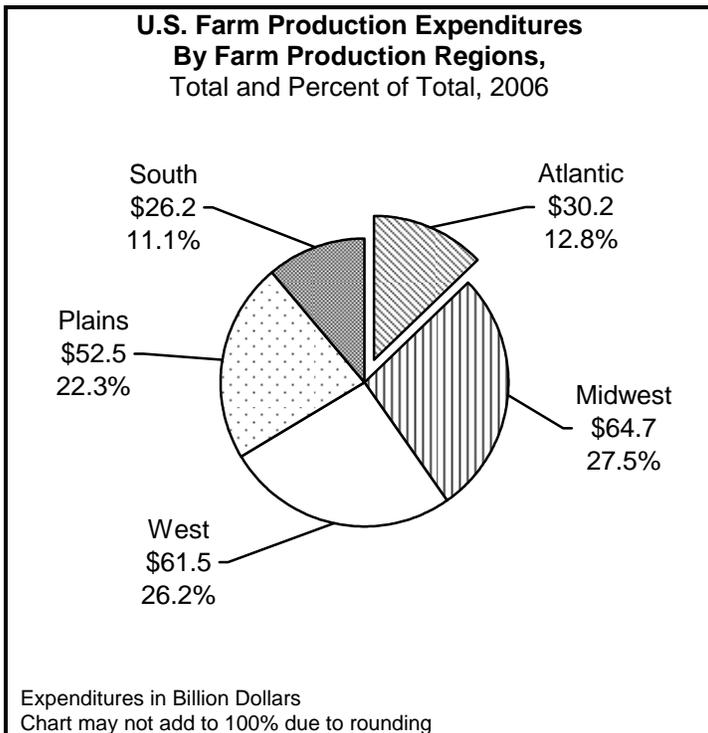
Trucks and Autos, Tractors and Self-propelled Machinery, and Other Farm Machinery were down 15 percent, 14 percent, and 7.3 percent, respectively. The drop in Capital Expenditures is likely due to up-to-date on-farm machinery inventories on farms and localized areas of drought.

The difference in Total Expenditures for Crop and Livestock farms has narrowed over the past few years. In 2006, they are almost equal, with crop farms at \$117.9 billion and livestock farms at \$117.1 billion. The average expenditure for a Crop farm was

\$128,944 compared with \$100,150 per Livestock farm. The largest expenditures for Crop farms were Farm Services at \$17.2 billion and Labor at \$17.0 billion, accounting for 29 percent of their total expenses. The largest expenditures for Livestock farms were Feed, at \$29.2 billion, and Livestock and Poultry Purchases, at \$23.3 billion. These two expenditures accounted for 45 percent of their total expenses.

Total Fuels Expense, at \$10.9 billion dollars, was up 7.9 percent in 2006. Diesel, the largest sub-component, was \$6.53 billion (60 percent) of the Fuels Expense. Gas was \$2.34 billion (21 percent). LP Gas was \$1.26 billion (12 percent). Other Fuels were \$780 million (7.2 percent).

The Atlantic farm production region (New England, New York, New Jersey, Pennsylvania, Maryland, Delaware, Kentucky, North Carolina, Tennessee, Virginia, and West Virginia) contributed \$30.2 billion to the total 2006 U.S. Farm Production Expenditures.



- Atlantic: CT, DE, KY, ME, MD, MA, NH, NC, NJ, NY, PA, RI, TN, VA, VT, WV
- Midwest: IL, IN, IA, MI, MN, MO, OH, WI
- West: AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY
- Plains: KS, NE, ND, OK, SD, TX
- South: AL, AR, FL, GA, LA, MS, SC



**ANNUAL FARM PRODUCTION EXPENDITURES: Farms Reporting, Average per Farm and Total,
Atlantic and United States, 2005 – 2006^{1 2}**

Expenditure	Farms Reporting ³		Average per Farm ⁴		Total Expenditures	
	2005	2006	2005	2006	2005	2006
	Percent		Dollars		Million Dollars	
ATLANTIC						
Total Farm Production Expenditures⁵	100.0	100.0	68,419	70,568	29,540	30,150
Livestock, Poultry and Related Expenses ⁶	29.0	27.2	6,022	6,951	2,600	2,970
Feed	66.6	65.6	11,928	12,335	5,150	5,270
Farm Services ⁷	94.8	94.7	8,431	8,824	3,640	3,770
Rent ⁸	22.1	25.0	2,224	2,224	960	950
Agricultural Chemicals ⁹	41.8	35.8	1,853	1,872	800	800
Fertilizer, Lime and Soil Conditioners ⁹	54.9	55.2	2,988	3,277	1,290	1,400
Interest	36.5	31.4	2,594	2,949	1,120	1,260
Taxes (Real Estate and Property)	100.0	100.0	2,803	3,183	1,210	1,360
Labor	33.2	28.4	7,389	7,560	3,190	3,230
Fuels	84.9	86.9	3,034	3,183	1,310	1,360
Farm Supplies and Repairs ¹⁰	87.3	82.9	4,447	4,517	1,920	1,930
Farm Improvements and Construction ¹¹	60.1	61.5	6,230	5,805	2,690	2,480
Tractors and Self-Propelled Farm Machinery	14.9	17.2	2,501	2,387	1,080	1,020
Other Farm Machinery	26.2	19.9	1,436	1,240	620	530
Seeds and Plants ¹²	42.2	39.0	2,710	2,715	1,170	1,160
Trucks and Autos	19.3	16.9	1,714	1,521	740	650
Miscellaneous Capital Expenses ^{13 14}	4.7	2.7	116	23	50	10
UNITED STATES						
Total Farm Production Expenditures⁵	100.0	100.0	106,423	112,788	222,940	235,010
Livestock, Poultry and Related Expenses ⁶	26.6	28.1	10,311	12,094	21,600	25,200
Feed	60.9	61.7	13,366	14,638	28,000	30,500
Farm Services ⁷	94.7	94.4	14,130	14,974	29,600	31,200
Rent ⁸	31.9	30.7	8,163	8,783	17,100	18,300
Agricultural Chemicals ⁹	48.0	47.2	4,201	4,223	8,800	8,800
Fertilizer, Lime and Soil Conditioners ⁹	53.5	55.7	6,110	6,383	12,800	13,300
Interest	40.8	40.6	4,630	5,135	9,700	10,700
Taxes (Real Estate and Property)	99.7	99.9	3,819	4,319	8,000	9,000
Labor	34.8	31.5	11,457	11,902	24,000	24,800
Fuels	83.3	83.4	4,821	5,231	10,100	10,900
Farm Supplies and Repairs ¹⁰	83.7	82.5	6,015	6,383	12,600	13,300
Farm Improvements and Construction ¹¹	57.3	56.7	6,062	6,095	12,700	12,700
Tractors and Self-Propelled Farm Machinery	24.9	20.0	4,058	3,503	8,500	7,300
Other Farm Machinery	29.2	23.7	1,957	1,824	4,100	3,800
Seeds and Plants ¹²	42.5	43.4	4,965	5,279	10,400	11,000
Trucks and Autos	25.2	20.8	2,244	1,920	4,700	4,000
Miscellaneous Capital Expenses ^{13 14}	14.6	11.0	115	101	240	210

¹ Atlantic consists of Connecticut, Delaware, Kentucky, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Tennessee, Virginia, Vermont and West Virginia.

² Excludes Alaska and Hawaii.

³ Number of farms reporting item divided by total number of farms.

⁴ Total expenditures divided by total number of farms. Items may not sum to total due to rounding.

⁵ Includes landlord and contractor share of farm production expenses. May not add due to rounding.

⁶ Includes purchases and leasing of livestock and poultry. Edit procedures have been upgraded over the last years to better identify cattle farm records where not all livestock are owned. These "custom feeding" operations are now correctly recorded as production contracts, resulting in increased livestock purchases for contractors.

⁷ Includes all crop custom work, veterinary custom services, transportation costs, marketing charges, insurance, leasing of machinery and equipment, general, and miscellaneous business expenses and utilities.

⁸ Includes public and private grazing fees.

⁹ Includes material and application costs.

¹⁰ Includes bedding and litter, marketing containers, power farm shop equipment, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment and capital equipment for livestock and poultry.

¹¹ Includes all expenditures related to new construction or repairs of building, fences, operator dwelling (if dwelling is owned by operation), and any improvements to physical structures of land.

¹² Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment.

¹³ A zero in this line-item denotes less than 5 million dollars. Average value derived from expenditure rounding to zero will also be zero.

¹⁴ Miscellaneous Capital Expense is shown in the tables for the first time. To properly summarize Miscellaneous Expenses and Miscellaneous Capital Expenses, Miscellaneous Expenses were combined with General Business Expenses which is summarized as a part of Farm Services. 2005 estimates were adjusted to reflect this change.